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December 17, 2002

Mary L. Cottrell, Secretary
Department of Telecommunications and Energy
One South Station
Boston, MA 02110

Re: Boston Edison Company, D.T.E. 02-80A

Dear Secretary Cottrell:

Enclosed for filing in the above-referenced matter is the response of Boston Edison Company d/b/a NSTAR Electric to the Information Request set forth on the accompanying list.

Thank you for your attention to this matter.

Sincerely,

Robert N. Werlin

Enclosures

cc: William Stevens, Hearing Officer
Sean Hanley, Rates and Revenue Requirements Division
Mark Barrett, Rates and Revenue Requirements Division
Claude Francisco, Rates and Revenue Requirements Division
Joseph Rogers, Assistant Attorney General
Judith Laster, Assistant Attorney General

Responses to Information Requests

Information Request DTE-1-1

Information Request DTE-1-1

In reference to Exh. BEC-HCL-8(b), please:

(a) explain the reasons for the relatively large percentage increases (e.g., Rate G-1 (demand), ranging from 11.9 percent at 3,000 kwh per month average use to 17.1 percent at 1,500 kwh per month use) of the proposed rates over the existing rates; and

(b) reconcile those percentage increases with the results shown in Exh. BEC-HCL-8(a).

Response

The relatively large percentage increases noted are the result of the increase in the summer per kWh price for the first 2,000 kWh block of the Rate G-1 (demand). This results primarily from the increase in the Transition Rate Adjustment for this rate, which went from -0.867 cents per kWh in 2002 to -0.015 cents per kWh in 2003. In addition, the increase is affected, to a lesser degree, by the reallocation of the transition rates between the first and second blocks of the summer rate. This reallocation was necessary to equalize the total percent reductions for the first and second energy blocks of the summer rate.

In 2002, the relatively large, negative Transition Rate Adjustment (which was implemented by the Company in accordance with the settlement agreement between the Company and the Attorney General, and approved by the Department in D.T.E. 00-82) had the effect of reducing the overall rates for this customer class to a level well below the 15 percent inflation-adjusted requirement contained in the Restructuring Act. As a result of the combined impact of the change in the Transition Rate Adjustment and the reallocation, the reduction percentage for the first energy block rate as measured from the inflation-adjusted August 1997 rates changed from -27.7 percent in 2002 to -16.4 percent proposed for year 2003. Conversely, the rate for the second energy block changed from a reduction of -20.5 percent to -16.8 percent while the third energy block remained at a reduction of -14.0 percent.

As is evident from Exhibit BEC-HCL-8(a), page 12, the overall impact of these rate-design changes is to ensure that the percent decrease across all usage levels meets (and exceeds) the 15 percent requirement when compared to the inflation-adjusted August 1997 rates. The increases, in comparison to last year, reflect the fact that the rate design for this class for 2002 had created some rate decreases that exceeded the required reductions.